

WRDA Impact of the economic downturn on women in NI –
Summary of the Technical Report
D Patsios, December 2010

Overview

The technical report has confirmed recent research into the impact of the recession, which suggests that women have been less affected than men during the recent economic downturn. In addition, it has served to shed light on: 1) some of the key differences in the ways the recession has impacted differently upon men and women, 2) the need for further information on employment differences between men and women, and 3) some insight into how the pending funding cuts may impact differently on men and women in NI.

1) Gender differences in the NI labour market

Differences in employment trends

Analyses using the Labour Force Survey (LFS) showed that there were striking similarities between the GB and NI labour markets in terms of increase in overall employment patterns during the recession. The total number of jobs decreased, albeit there was a large rise in part-time and temporary employment and a fall in full-time employment.

Total employment

There were, however, differences in total employment between men and women. We found that there was a net decrease in men employed, compared with a net increase in women employed. The proportion of men unemployed increased by two-thirds compared with just over one quarter of women.

Economically active

Men were more likely to report being economically inactive by the end of the recession compared with women. Gender differences did not appear in the extent to which economically inactive men and women were actively seeking work or not, albeit there was some indication that women not actively seeking work but would like to work decreased slightly over the recessionary period. Although there is some expectation that through job loss some people may leave the workforce and move into inactivity (DWP, 2009), the reasons why men were more likely to report being economically inactive than women were not altogether clear.

Full-time versus part-time

One of the biggest differences between men and women during the recessionary period was in terms of full- versus part-time employment. The number of men employed full-time decreased by over 27,000 (or -7.0 per cent), whereas the number of women employed full-time increased by over 6,700 (or +3.2 per cent).

Changes in part-time employment showed ever greater gender differences. The number of men working part-time increased by over 10,000 (or 34.3 per cent), whereas the number of women working part-time actually decreased by over 1,000 (or -1.0 per cent). Again, the decrease of women working part-time was counterbalanced by women's overall gain in full-time employment.

Industry sector

Given that total employment decreased for both men and women during the recession, it was important to examine gender differences by industry sector. Differences were found between men and women in terms employment by industry sector. The largest net decreases for men were in the 'other services' sector (around 12,000 fewer jobs, or -60 per cent), 'construction' (around 13,000 fewer jobs, or -17 per cent) and 'public administration, education and health' (over 13,500 fewer jobs, or -15 per cent). The decreases in these sectors were offset by the more than doubling of men working in 'energy and water' and 'transport and communication' sectors. In contrast, women's net employment decreased the most in 'manufacturing' (1,500 fewer jobs, but showed to a similar proportional decline to that of men, just over 6 per cent), 'public administration, education and health' (a net loss of just over 2,100 jobs, or -1 per cent, compared with -15 per cent for men), and 'other services' which was relatively stable (less than 100 fewer jobs) compared with the vast loss suffered in the same sector for men.

Private or public sector

A major insulating factor of employment in a recession is whether the job is in the public or private sector. The private sector is more likely to be affected by downturns in the economy than is the public sector. Net overall employment in the private sector decreased for men by just over 9,000 jobs, but actually increased for women by just about 6,000 jobs. Net overall employment in the public sector decreased by about 10,000 jobs for men, but increased for women by only about 1,000 jobs.

Gender differences were also found in full-time versus part-time employment in both sectors. There was a decrease in the total number of men working full-time in both private (-15,000 or -5 per cent) and public (-12,500 or -15 per cent) sectors, whereas there was an overall increase of women working full-time in both private (+3,000 or +3 per cent) and public (+4,800 or +5 per cent) sectors. In addition, there was a very large increase in the number of men working part-time in the private (+5,800 or +23 per cent) and public (+2,300 or +57 per cent) sectors, whereas for women there was increase working in the private sector (+2,600 or +3.5 per cent) compared with a decrease in women working part-time in the public sector (-3,900 or -8 per cent).

Differences in number of employee jobs and working patterns

Quarterly Employment Survey (QES) data was used to determine the number of employee jobs available and working patterns in the job market as a whole, as well as by industry sectors.

Total number of employee jobs

The total number of employee jobs decreased by approximately 23,000 during the recession. However, employee job losses were not equally shared amongst the various sectors, where we found there was a loss of 15,000 jobs in 'manufacturing' (-17 per cent) and over 10,000 fewer jobs in 'construction' (-23 per cent). Other sectors were not affected as much, 'services' for example, where total job losses were less than 1,000. In contrast, employee jobs in the 'other' sectors including agriculture, hunting & forestry & fishing; mining & quarrying; and, electricity, gas & water supply actually increased by about 3,500 employee jobs during the recession (+23 per cent).

Working patterns (all sectors)

The working patterns of men and women in full-time and part-time employee jobs in all industrial sectors changed during the economic downturn. Men lost around 23,000 full-time employee jobs but gained around 3,000 part-time employee jobs (a cumulative loss of 20,000 full-time employee jobs or -5.7 per cent). Women, on the other hand, lost 3,800 full-time employee jobs but gained 1,700 part-time employee jobs for a cumulative loss of around 1,100 jobs (-0.5 per cent).

Working patterns (individual sectors)

The working patterns of men and women differed in some but not all industrial sectors. In 'manufacturing', for example, there were minor differences between men and women who had lost full- and part-time jobs. Taken together, there were over 11,000 fewer men in 'manufacturing', compared with over 3,000 fewer women, but the job losses for both full- and part-time employee jobs were consistent at around 17 per cent fewer by the end of the recession.

There were far more men working full-time and part-time in the 'construction' sector prior to the onset of the recession. By the end of the recession, however, there were over 9,000 fewer men in full-time construction jobs, compared with fewer than 500 women in full-time construction jobs (-24 per cent versus -16 per cent). There were some 500 fewer jobs for men in part-time construction jobs, compared with around 250 fewer women in part-time construction jobs (-31 per cent versus -14 per cent). In short, the decrease of full-time and part-time jobs lost in the construction sector affected men more than women during the economic downturn.

Working patterns also changed in 'services' jobs, where we found that there were more than 5,800 fewer jobs held by men employed full-time (-3 per cent), compared with just under 1,000 fewer jobs for women working full-time (under -1 per cent). The greatest change was in part-time employee jobs in this sector, where there was an increase of over 3,500 (+7 per cent) jobs for men working part-time and 2,250 more jobs (over 1 per cent) for women working part-time. Taken together, the impact of the recession in terms of working patterns in services sector jobs has been greater on men than it was for women.

Lastly in terms of employee jobs in 'other' sectors, we found that there was an increase in the proportion of jobs for men and women working full-time (over 40 per cent each), but that women had gained more jobs than men in part-time jobs in this sector (+25 per cent for women, compared with -0.5 per cent for men). In short, there were no gender differences in gains in full-time employee jobs, but women fared much better than men in terms of part-time employee jobs in 'other' sectors. Overall, there men working full-time and part-time gained 20 per cent more jobs in this sector, compared with an increase of 33 per cent for women working full-time and part-time.

The 'gender pay gap'

Annual Survey of Hours and Earnings (ASHE) data were used to examine differences in weekly and annual income between men and women over the course of the recession. For comparative purposes, income was deflated using the Retail Prices Index (RPI) to January 2008 (the first month prior to the onset of the recession). Data from ASHE 2007 were also

included to serve as a reference point as 2010 figures were not available at the time of writing this report.

Differences in weekly pay

Median weekly income for all employees rose by 5 per cent between 2007 and 2009. However, these rises were not shared equally between men and women. Men's weekly income increased by 3 per cent, compared with 6 per cent for women. However, men were making approximately £120 more per week compared with women during the same period.

There were also changes in median weekly income by full- and part-time employment status, where we found that the income of full-time employees (men and women combined) increased by 6.5 per cent, compared with 10 per cent for part-time employees (men and women combined). There were gender differences in changes in median weekly income. The median income of women working full-time increased around 7.5 per cent, compared to around 6 per cent for men working full-time. The opposite was true for men and women working part-time, where men's median income increased by about 15 per cent, compared with about 8 per cent for women.

Looking at the period 2007 to 2009, we found that the ratio of women's to men's median weekly income for all employee jobs increased from .69 to .71. However, the gender pay gap differed between full-time and part-time employees, where we found that there was an increase in the ratio of women's to men's median weekly income for full-time employment (ie. the gender pay gap lessened) but a decrease in the ratio in terms of part-time employment (ie. the gender pay gap widened).

Differences in annual pay

Differences in annual pay for men and women (using ASHE data) include only those employees who have been in the same job for at least one year. Findings showed that median annual income increased about 4 per cent between 2007 and 2009. Median annual income for men in the same job for at least one year increased by 6.5 per cent, compared with only 4.1 per cent for women. Full-time employees (men and women combined) saw their average annual incomes rise by about 7.4 per cent, compared with only 6.2 per cent of part-time employees. Again, we find gender differences when real (RPI adjusted) median annual income rises are compared between men and women, particularly those working full-time. The annual income of men in full-time employment increased 7.5 per cent between 2007 and 2009, compared with only 6.8 for women. We also found that the ratio of women's to men's median annual income for all employee jobs actually decreased slightly between 2007 and 2009, suggesting that the gender pay gap had increased in respect of women and men having the same job for at least one year. Put simply, men in jobs for at least one year appear to fare better in terms of annual rises in income compared with women in the same situation.

Differences in the claimant count and 'out-flows'

ONS Nomis data was used to determine differences between men and women claiming Job Seeker's Allowance (JSA).

Changes in the number and rate of men and women claiming JSA

There were four times as many men as women claiming JSA prior to the recession (19,234 men, compared with 5,298 women). By the end of the recession, the number of men and

women claimants had more than doubled. Prior to the recession, the claimant rate for men was 3.4 per cent and 0.9 per cent for women, whereas by the end of the recession, the rate for men had increased to 7.2 per cent, while the rate for women increased to 2.0 per cent.

Changes in the number and rate of JSA claimants in District Council Areas

Additional analyses by District Council Area (DCA) showed that the claimant rates had changed over time with Limavady being particularly affected by the economic downturn.

Changes in JSA claimant out-flows (leaving rate and duration unemployed)

A key indicator of the impact of the economic downturn is the claimant 'out-flow' rate; that is, JSA claimants who ended a claim during the previous accounting month. For both men and women, there was an initial increase and then decrease in the out-flow between the first and last quarter of 2008, where it reached its lowest level for both men and women (3,375 and 1,385 leaving JSA respectively). Median duration in weeks unemployed followed a similar pattern for men and women during the economic downturn, apart from the last quarter of 2008, where women had shorter median duration in week's unemployed than men. Between the beginning and the end of the recession median week's unemployed increased from 11 to 13 weeks for men but for women it remained at around 9 weeks.

Changes in age and duration of JSA claimant out-flows

Trends in proportions of claimant out-flows for the age/duration categories chosen showed similar patterns over time (although the starting and ending points varied). Men and women Aged 18-24, claiming for under 6 months comprised the largest proportion of all age/durations of claimant out-flows. In contrast, the proportion of men and women Aged 18-24, claiming for over 6 months actually increased during the recession, with proportional increases being higher for men in this age group compared with women. Similar out-flow patterns were also found for: men and women Aged 25 and over, claiming for over 1 year; men and women Aged 25 and over, claiming for over 18 months; and, men and women Aged 50 and over, claiming for over 6 months. One slight difference was found in respect of men and women Aged 25 and over, claiming for over 2 years, albeit the difference was negligible.

Differences in receipt of key benefits for persons of working age and their children

Northern Ireland Neighbourhood Information Service (NINIS) data were used to determine changes in the number of men and women of working age in receipt of several types of individual and family benefits. Several key gender differences were found between February 2008 and February 2010. For example, approximately 5,800 fewer men (-15 per cent) and approximately 3,400 fewer women (-13 per cent) were in receipt of Incapacity Benefit. The largest relative declines in terms of age group were found for women aged 16-34 and men aged 35-49. There were minor gender differences in receipt of Severe Disablement Allowance. Relatively fewer in older age groups were in receipt of SDA by the end of the recession compared with men. The number of men and women in receipt of Disability Living Allowance increased by about the same number (roughly 4,000) as did the proportion of all men and women in receipt of DLA. However, we also found that relatively more men aged 16-34 were in receipt of DLA by the end of the recession compared with women in the same age group. Compared with women, men were relatively less likely to be in receipt of Income Support by the end of the recession (10 per cent fewer men, compared with 6 per cent fewer women). The largest declines were found for men aged 16-34 and for

women aged 35-49. In terms of the State Pension Credit, relatively more men aged 60-64 were in receipt of SPC by the end of the recession compared with women (8.5 per cent and 5 per cent).

Using NINIS data of client groups, approximately 29,000 more men (+11 per cent) compared with approximately 22,500 more women (+2 per cent) of all ages were in receipt of one or more of the key benefits cited above by the end of the recession. Looking only at the working age population, we found that 16,000 more men (+14.5 per cent), compared with only 1,200 more women (+1 per cent) of working age were in receipt of benefits shortly after the recession. The greatest gender differences occurred in the 16-34 age group, where men were 30 per cent more likely to be in receipt of one or more benefits compared with women in the same age group. Another key trend was that men aged 35-49 and 50-64 were more likely to be in receipt of one or more benefits after the recession, whereas women aged 35-49 and 50-59 were less likely to be in receipt of one or more benefits after the recession.

Lastly, although we were not able to establish gender differences in receipt of Housing Benefit for those of working age, we did find that during the recessionary period the number of men in receipt of HB increased by just over 11,000 (or +21 per cent) compared with just over 9,000 (or +12 per cent) for women.

Differences in debt/arrears

One possible impact of the recession is the extent men and women fell behind in paying for household services and other expenses (electricity, gas, Council Tax, etc.). Although data was not available for the entire recessionary period we did find that between April 2007 and March 2009, men and women were equally likely to report a decrease (about 4 per cent) in arrears/debts during the first year of the recession. Follow-up data FRS is not available for the post-recession period in order to make valid comparisons.

2) What the technical report doesn't tell us

As shown above, there is a lot of information on gender differences in the NI labour market, as well as the extent to which the impact of the recession has impacted differently on men and women in NI. Despite the richness of data concerning gender differences, there are a number of things that the merging and meta-analysis of data from a number of public sources cannot tell us.

First, it is important to keep in mind here that the technical report focused on men and women of working age and as a result excluded those persons above usual working ages. Although the number of pensioners participating in paid employment is quite low compared with the number of working age persons in employment, we did find that a number both men and women past State Pension Age (SPA) were still employed (7,500 men compared with 21,000 women). When looked at in terms of the total workforce employed, we find that the number of women working past SPA is 4 per cent higher than men (5.7 per cent women, compared with 1.7 per men). Public data does not tell us why many more women than men are working both full-time and part-time past SPA.

Second, the analyses showed that there was a steep rise in part-time and temporary employment and a fall in full-time employment, with women gaining overall in terms of net

employment and men losing overall. However, most of this change in employment was focused in part-time employment. Whereas we have some idea about the overall changes in industry sector, we have less information about the number of part-time jobs men and women have (ie. did someone who used to have one full-time job prior to the onset of the recession, now have one, two or more part-time jobs?). Also, the nature of the labour force data (specifically the 'quarterly' data used in this report) does not allow us to determine whether those in full-time employment switched to part-time employment in the same job/sector or moved out of the sector to find a job elsewhere. There is a five quarter LFS dataset produced based on the quarterly datasets, which surveys the same person five times, but the problem in using this data to get a clearer understanding of work 'flows' is hindered by the unreliable nature of the estimates. In other words, the numbers of men and women being surveyed longitudinally are not large enough to ensure the statistical accuracy of gender-based estimates of the NI labour market.

Third, information used from the LFS and QES are fine for establishing general trends in employment (and any key differences between men and women), but these are less helpful in being able to gauge the quality of work and the working environment. Moreover, such data tell us little about the impact of a forced change in working patterns on family life and lifestyles. For example, are men and women having to take on jobs (part-time, casual, temporary, flexi-work) which do not necessarily fit in well with their existing lifestyles, ie. are families needing to make alternate arrangements for child care (or other types of unpaid work)? Further, are men and women being asked to be more flexible in terms of their employment patterns (ie. what days/hours they work?), and were such changing demands of the labour market more likely to impact women more than men during the latest economic downturn?

Fourth, the number of men reporting being economically inactive can be explained in part by the economic downturn, but the reasons why men were more likely than women to report being economically inactive than women were not altogether clear.

Fifth, our analysis showed that men in jobs for at least one year appear to fare better in terms of annual rises in income when compared with women. Again, we did not have access to 2010 data to make any definitive statements for the full period of economic downturn. This aside for the moment, what was not altogether clear from the hours and earnings data was changes in the sectors men and women were working in and whether there were gender differences if the exact period of employment were to be compared, i.e. are men or women more likely to be long-term employees, and does this differ by sector? Moreover, the exact nature of the 'gender pay (and income) gap' was difficult to ascertain as ASHE data contains only 1% of all employees in Northern Ireland who were covered by PAYE schemes, which excludes: those who are self-employed, those who do unpaid work, or the amount an individual may be in receipt of income support (JSA benefits, etc.). Clearly, in order to determine the impact of the economic downturn on women in NI, it would be important to include these excluded categories of employment and any benefit's income received. Such analyses would also be better served by more complete surveys of income, such as that found in the FRS Household Below Average Income (HBAI) series, for example.

Sixth, our analyses revealed that there were no major differences (aside from the baseline number of claimants between men and women claiming JSA) during the economic

downturn. We did find, however, that those aged 18-24 claiming for over 6 months increased during the recession, but also that men were disproportionately more affected than women. Using the publicly available data, we were unable to determine why this was so. Moreover, we found that some District Council Areas (DCAs) were more affected than others during the economic downturn. Derry and Strabane, as prime examples, were consistently ranked amongst the top claimant counts for both men and women, but by the end of the recession Limavady had entered the top four DCAs in terms of claimant counts. The reason(s) why Limavady was particularly affected by the economic downturn was not entirely clear based on the available public data?

Seventh, we found evidence of gender differences in the receipt of specific key benefits for persons of working age and their children, including changes in the receipt of one or more key benefits by men and women of working age. The difficulty in interpreting the impact of the economic downturn between men and women is based on the fact that – dependent on the specific benefit under consideration – the age groups of published data varied for men and women. If we take Incapacity Benefit, for example, published figures are for men and women of SPA only (men 16-64, women 16-59). However, if we then look at DLA, figures are published for men and women in different age groups, including women 60-64. Without having access to the raw data held by DSD, it is difficult to establish gender differences in the receipt of specific key benefits for working age versus pensioner populations (albeit DSD does in fact publish the receipt of one or more key benefits for men and women of working age according to a number of different age groups). Additional data on age and gender differences in receipt of Housing Benefit was also lacking, which prevented us from commenting on the impact of the economic downturn in terms of HB.

Lastly, there was very little available data upon which we could determine gender differences in the extent to which the economic downturn had affected debt/arrears. FRS data, for example, were not available for the last two quarters of the recession at the time of writing this report.

3) The impact of ‘pending cuts’

Our research has shown quite clearly that men have been affected more by the recent downturn than women, particularly in terms of levels employment, working patterns and industry sector. However, the trends/changes which occurred during the recession (and some would argue are still occurring) took place under a very different system of public employment, state funding, and tax and benefits provision to that which is to be implemented by the Coalition government in the coming years.

In the following section, we turn our attention to postulating some possible impacts of the pending spending cuts on how these might affect men and women differently. The intention here is not to summarise/replicate/debate estimates and projections produced by HM Treasury as part of the UK Coalition Government’s Spending Review reports of the impact of the pending tax and benefit reforms in NI produced by the Institute for Fiscal Studies¹ but rather to identify key areas where gender differences might be affected most

¹<http://www.ifs.org.uk/publications/5369>

(either positively or negatively) in the coming years. The following section does, however, draw upon the recent report of the UK Women's Budget Group (WBG) for additional support/evidence of the likely impact of the pending cuts on women in NI.

First, as women are more likely to work in the public sector and men more likely to work in the private sector, women are much more likely to be affected by spending cuts than was seen during the economic downturn. According to the WBG, the cuts will lead to hundreds of thousands of women losing their job. Over half of the jobs in the public sector services that have not been protected from the cuts are held by women and the pay and conditions of public sector employees (two thirds of whom are women) are likely to deteriorate (WBG, 2010).

Second, our research has shown that the gender weekly median income pay gap has decreased during the recession, but cuts in welfare spending are likely to reverse this trend. Changes to receipt of Child Benefit – the vast majority of which is paid to women – will negatively impact on annual income. In addition, more than half of Housing Benefit claimants are women (mostly single women), so any changes to eligibility criteria and rate reductions (ie. capping the benefit) will disproportionately impact on women more than men. Women are likely to be particularly affected as well by the stricter medical test for claiming Disability Living Allowance, as a relatively larger proportion of women than men are currently claiming this benefit.

Third, although our research showed an increase in economic activity for women during the recession, it is likely that women will be increasingly called upon to provide unpaid caring responsibilities in order to fill the gaps created by cuts in public services (WBG, 2010: 2). This will likely not only affect the number of women reporting economic inactivity but also impact on the ability/willingness of women with caring responsibilities to actively seek paid work, which our research showed was already on the decline following the recent economic downturn.

Finally, given that Northern Ireland is one of the poorest regions of the UK, it will likely be hit hardest from the welfare cuts that were announced in this month's draft Budget² (ahead of the final Budget to be announced in February 2011). Given that the draft report has just been released, a 'gender impact analysis' (similar to that carried out by the WBG for the UK as a whole) has not yet been carried out. It is hoped, however, that the findings from the technical report can be used to provide additional evidence about the extent to which the pending cuts in welfare will impact on women in NI.

²<http://www.nidirect.gov.uk/website - draft budget.pdf>

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